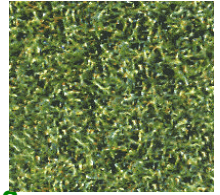


2004 CROP INSURANCE FACT SHEET



FORAGE PRODUCTION



Maine Maryland New Hampshire New York Pennsylvania

THIS FACT SHEET POINTS OUT CERTAIN FEATURES OF CROP INSURANCE AND IS NOT INTENDED TO BE COMPREHENSIVE. THE INFORMATION BELOW NEITHER MODIFIES NOR REPLACES TERMS AND CONDITIONS OF THE BASIC POLICY, THE CROP PROVISIONS, OR THE COUNTY ACTUARIAL DOCUMENTS. CONTACT A CROP INSURANCE AGENT FOR FURTHER DETAILS.

CROP INSURED

The insured forage crop may be either a stand of:

- **Pure alfalfa;**
- **Alfalfa and perennial grasses** in which 60 percent or more is alfalfa; or
- **Mixed alfalfa and perennial grasses** in which alfalfa comprises more than 25 percent but less than 60 percent of the ground cover.

The crop must have been grown during one or more years after the year of establishment.

The policy will **not insure** any acreage that:

- Does not have an adequate stand* at the beginning of the insurance period;
- Is grown with a non-forage crop; or

*An adequate stand requires the following minimum living plants per square foot after the year of establishment:

	<u>First Year</u>	<u>Second Year</u>	<u>Third and Later Years</u>
Alfalfa	9	6	4.5
Alfalfa-Grass Mixture	6	4	3

CAUSES OF LOSS

- **Adverse Weather** (e.g., hail, freeze, winterkill, drought, wind, excess precipitation);
- **Insects/Plant Disease** (unless insufficient or improper application of control measures);
- **Irrigation Water Supply Failure** (if caused by insured peril during the insurance period);
- **Fire or Wildlife.**

The policy does not insure against damage that occurs after removal from the windrow.

DUTIES IN THE EVENT OF DAMAGE OR LOSS

- Protect the crop from further damage by providing sufficient care;
- Notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period);
- Leave representative samples intact for each field of the damaged unit

IMPORTANT DATES

Sales Closing	September 30, 2003
Acreage Report Due	November 15, 2003

PRICE ELECTIONS

Maine - \$147 per ton	Maryland - \$147 per ton	New Hampshire - \$170 per ton
	New York - \$127 per ton	Pennsylvania - \$146 per ton

2004 Forage Production

INSURANCE UNITS

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

Basic Unit: A basic insurance unit includes all of the insured crop acreage in the county by share arrangement. For example, the crop acreage on your own farm (including land cash rented) would be one basic unit, while other acreage on shares with someone else would be a second basic unit. Premiums are reduced 10 percent for a basic unit.

Optional Unit: If a basic unit consists of two or more Farm Serial Numbers (FSN) and certain record-keeping criteria are met, you may apply for optional units by FSN. The 10% basic unit premium discount will not apply.

GROUP RISK PLAN

A Group Risk Plan (GRP) of insurance is available in Pennsylvania. GRP coverage is based on the average yield of the entire county rather than an individual's actual yields. Coverage levels up to 90 percent of the expected county yield can be obtained at rates significantly less than those for standard crop insurance. This lower-cost plan of coverage may best appeal to growers whose yields track directly with county yields or those who do not wish to furnish their individual yield records. **Sales Closing Date for GRP is November 30, 2003.**

INSURANCE PERIOD

Insurance coverage will begin on **October 16, 2003** for acreage seeded during the Fall of 2002 and on **May 22, 2004** for acreage seeded during the Spring of 2003, if there is an adequate stand as of those dates. Insurance will end at the earliest of:

- Total destruction of the forage crop
- Removal from the windrow or the field for each cutting
- Final adjustment of a loss
- The date grazing commences on the forage crop
- Abandonment of the forage crop
- October 15, 2004.

LOSS EXAMPLE - Pennsylvania

(Assume an average yield of 3.0 tons/acre and coverage level of 65%.)

3.0	tons per acre average yield (APH)
<u>x .65</u>	coverage level
1.95	tons per acre guarantee
<u>- .95</u>	tons per acre produced
1.00	ton per acre loss
<u>x \$146</u>	price election
\$146	indemnity per acre
<u>- \$4</u>	estimated premium per acre
\$142	net indemnity per acre

For more information, visit the Risk Management Agency website at www.rma.usda.gov

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